

Message Text

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ORIGIN EA-12

INFO OCT-01 ISO-00 EB-08 INR-07 /028 R

DRAFTED BY EA/K:BPORTER:JCM

APPROVED BY EA/K - MR. RICH

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R 040223Z NOV 77

FM SECSTATE WASHDC

TO AMEMBASSY SEOUL

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E.O. 11652: N/A

TAGS: ECON, BENC, XMB, KS

SUBJECT: HYUNDAI INTERNATIONAL PROJECT GUARANTEES

REF: SEOUL 9288

1. ACCORDING TO EX-IM (HEIDRICH), ISSUE OF "ROK" VS. KEB OR KDB GUARANTEES ON LOANS STILL OF SOME CONCERN BUT REQUIREMENT FOR ROK GUARANTEE IS NOT RPT NOT TO BE CONSIDERED FIRM EX-IM BANK POLICY AS OF NOW. EX-IM'S IMMEDIATE CONCERN ON HYUNDAI MACHINERY PLANT CENTERS ON DETAILS OF PROJECT, EXTERNAL FINANCING AND HYUNDAI INTERNATIONAL'S FINANCIAL POSITION. AS EXAMPLE, HEIDRICH CITED APPARENT CONFLICT WITH FIGURE OF DOLS 60 MILLION EXPORT VALUE FOR EQUIPMENT GIVEN IN HARNISCHFEGER'S PRELIMINARY APPLICATION, AND FIGURE OF DOLS 30 MILLION GIVEN BY EPB FOR SAME EQUIPMENT.

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2. ACCORDINGLY, IN LETTER TO HYUNDAI PRESIDENT CHUNG DATED OCTOBER 4, HEIDRICH RECOMMENDED HYUNDAI MAKE APPLICATION DIRECTLY TO EX-IM BECAUSE EQUIPMENT SALES INVOLVE MORE THAN ONE U.S. SUPPLIER. LETTER INDICATES SPECIFIC INFORMATION EX-IM MUST HAVE FROM HYUNDAI, INCLUDING FULL DETAILS OF COST, FINANCING, EQUITY CONTRIBUTIONS AND PROJECTED FINANCIAL STATEMENTS FOR

BOTH HYUNDAI INTERNATIONAL AND THE CHANGWON PLANT FOR FIVE YEARS. TO DATE, EX-IM HAS RECEIVED NO RPT NO RESPONSE FROM HYUNDAI AND IS THEREFORE TAKING NO ACTION. (DEPARTMENT POUCHING COPY OF EX-IM LETTER.)

3. ON HYUNDAI CAPROLACTUM PLANT, HEIDRICH INDICATED HE APPROACHED BY HYUNDAI ONLY ON PRELIMINARY BASIS. APPLICATION DIRECTLY TO EX-IM (INCLUDING SAME INFORMATION) WILL BE REQUIRED ON THAT PROJECT. VANCE

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Message Attributes

Automatic Decaptoning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, INVESTMENT GUARANTEES, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Nov-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770407-0185
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771194/aaaadcnt.tel
Line Count: 71
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Message ID: 9a0c2e22-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
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Reference: 77 SEOUL 9288
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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SAS ID: 710373
Secure: OPEN
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TAGS: ECON, BENC, KS, US, XMB
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Type: TE
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